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OCI No. 0517/63

CENTRAL INTELLIGENCE AGENCY
Office of Current Intelligence
31 March 1963

CURRENT INTELLIGENCE MEMORANDUM

SUBJECT: The Federal-State Conflict in Rio de Janeiro

1. The confrontation in Rio de Janeiro of federal troops and local forces of (Guanabara state) seems unlikely to lead to serious trouble at this time. Neither President Goulart nor Governor Lacerda seems to want to push the controversy over the Congress for Solidarity with Cuba further at present and the congress was expected to close late on 30 March. Goulart has gone about as far as he can with his present legal powers; to take over the state, would be a very serious step.

2. Goulart has evidently been trying to please both the proponents and the opponents of the congress. The necessity for him to take a clear position against the congress arose from the congress' preparations coinciding in time with the financial negotiations being conducted by Brazilian Finance Minister Dantas in Washington. Goulart's action in ordering federal troops to "protect" federal buildings in Rio de Janeiro was an effort to recoup his support among those favorable to the congress in Brazil and, at the same time, to harass his enemy, anti-Communist Governor Carlos Lacerda.

3. Rio is reported calm. Federal troops are patrolling but all state troops have returned to barracks. The congress was holding its final session across the bay in Niteroi on the night of 30 March with no reports of plans to attempt a move back to Rio. Goulart, in a 30 March interview, denied he had sent in federal troops to protect a pro-Castro gathering and lashed out at both left and right extremists.

Background

4. Until 22 March Goulart was able to present an ambiguous front on the question of the pro-Cuban meeting

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with his foreign minister Hermes Lima obstructing foreign representation at the congress and his press secretary, Communist Raul Ryff, making statements indicating that Goulart was really favorable to it. Washington's postponement of Finance Minister Dantas' interview with President Kennedy (and final signing of the aid agreement) from 22 March to 25 March apparently made Goulart believe that US financial aid to Brazil might be endangered by the ambiguous Brazilian government attitude toward the congress. On 23 March the government's policy became more clearly anti-congress.

5. At this time, Goulart probably judged that Lacerda would not act against the congress in Rio de Janeiro because the city is also the headquarters for First Army commander General Osvaldo Alves, who tends to be pro-Communist.

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6. The episode raises the question of possible federal intervention in the state of Guanabara. Intervention is a Brazilian constitutional move by which the federal government replaces a governor "to put an end to civil war" or "to guarantee the free exercise of any of the state powers," etc. If the intervention is not approved in advance by the federal judiciary, the President "shall submit it, without prejudice to its immediate execution, to the approval of the national Congress" if necessary convoking congress in extraordinary session for this purpose. Goulart almost certainly is not able to carry out this step now without threatening his own hold on the presidency. He is too shrewd to take the risk.

7. Getulio Vargas--who is generally believed to be Goulart's model as president--used the weapon of intervention extensively but he was operating under a constitution which made it a great deal easier. Since the adoption of the present constitution in 1946, only one federal intervention in a state has been decreed and that was limited in time. Goulart is seeking--as he has been throughout his career--to increase his personal power. He would probably like to intervene in several states and above all in Lacerda's Guanabara. Intervention under present circumstances, nevertheless, is highly unlikely.

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